

PRESS RELEASE

Taiga's Q2 sales down 14% but margin percentage holds steady at 8.8%

BURNABY, BC, November 3rd, 2016 - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for the three and six months ended September 30, 2016.

Second Quarter Ended September 30, 2016 Earnings Results

Sales for the second quarter decreased to \$335.1 million from \$388.0 million in the same quarter last year. The decrease in sales by \$52.9 million or 14% was largely due to the ceased operations relating to one of the Company's business units.

Gross margin dollars for the second quarter decreased to \$29.5 million compared to \$33.6 million in the same quarter last year. Gross margin percentage for the second quarter was 8.8% compared to 8.7% in the same quarter last year. The increase in gross margin percentage was primarily due to higher commodity prices in the current quarter compared to the same quarter last year.

Net earnings for the quarter decreased to \$3.1 million from \$4.6 million in the same quarter last year primarily due to decreased gross margin dollars.

EBITDA for the quarter ended September 30, 2016 was \$11.3 million compared to \$12.9 million for the same period last year.

Six Months Ended September 30, 2016 Earnings Results

Sales for the six months ended September 30, 2016 were \$660.5 million compared to \$792.0 million over the same period last year. The decrease in sales by \$131.5 million or 17% was largely due to the ceased operations relating to one of the Company's business units.

Gross margin dollars for the six months ended September 30, 2016 decreased to \$60.9 million from \$68.0 million over the same period last year. Gross margin percentage for the six months ended September 30, 2016 increased to 9.2% compared to 8.6% over the same period last year. The gross margin percentage was higher in the current period due to an increase in commodity prices.

Net earnings for the six month period ended September 30, 2016 were \$7.9 million compared to \$11.1 million for the same period last year.

EBITDA for the six months ended September 30, 2016 decreased to \$24.8 million compared to \$28.8 million for the same period last year.

Condensed Consolidated Statement of Earnings

For the Three Months Ended

	September 30,	
<i>(in thousands of Canadian dollars, except for per share amounts)</i>	2016	2015
Sales	335,052	387,991
Gross margin	29,493	33,568
Distribution expense	5,633	5,408
Selling and administration expense	13,668	16,412
Finance expense	1,228	1,311
Subordinated debt interest expense	4,088	4,088
Other income	(118)	(99)
Earnings before income taxes	4,994	6,448
Income tax expense	1,855	1,830
Net earnings	3,139	4,618
Net earnings per share ⁽¹⁾	0.10	0.14
EBITDA ⁽²⁾	11,329	12,903

The following is the reconciliation of net earnings to EBITDA:

	September 30,	
<i>(in thousands of Canadian dollars)</i>	2016	2015
Net earnings	3,139	4,618
Income tax expense	1,855	1,830
Finance and subordinated debt interest expense	5,316	5,399
Amortization	1,019	1,056
EBITDA	11,329	12,903

For the Six Months Ended

<i>(in thousands of Canadian dollars, except for per share amounts)</i>	September 30,	
	2016	2015
Sales	660,518	791,964
Gross margin	60,901	68,043
Distribution expense	11,064	10,608
Selling and administration expense	27,287	30,944
Finance expense	2,547	2,901
Subordinated debt interest expense	8,175	8,175
Other income	(233)	(224)
Earnings before income taxes	12,061	15,639
Income tax expense	4,160	4,581
Net earnings	7,901	11,058
Net earnings per share ⁽¹⁾	0.24	0.34
EBITDA ⁽²⁾	24,820	28,813

The following is the reconciliation of net earnings to EBITDA:

<i>(in thousands of Canadian dollars)</i>	September 30,	
	2016	2015
Net earnings	7,901	11,058
Income tax expense	4,160	4,581
Finance and subordinated debt interest expense	10,722	11,076
Amortization	2,037	2,098
EBITDA	24,820	28,813

Notes:

(1) Earnings per share is calculated using the weighted average number of shares.

(2) Reference is made above to EBITDA, which represents earnings before interest, taxes, and amortization. As there is no generally accepted method of calculating EBITDA, the measure as calculated by Taiga might not be comparable to similarly titled measures reported by other issuers. EBITDA is presented as management believes it is a useful indicator of a company's ability to meet debt service and capital expenditure requirements and because management interprets trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by an investor as an alternative to net income or cash flows as determined in accordance with IFRS.

The foregoing selected financial information is qualified in its entirety by and should be read in conjunction with, our unaudited condensed interim consolidated financial statements for the three and six months ended September 30, 2016 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at www.sedar.com.

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